

**ARIZONA DEPARTMENT OF REAL ESTATE  
REAL ESTATE ADVISORY BOARD  
MINUTES  
October 11, 2007**

The Arizona Real Estate Advisory Board met on Thursday, October 11<sup>th</sup>, 2007 at the Arizona Department of Real Estate (ADRE), 2910 N. 44<sup>th</sup> Street, First Floor Conference Room, in Phoenix, Arizona.

**I. CALL TO ORDER**

Chair Gary Brasher called the meeting to order at approximately 10:02 a.m.

Members present:

- ☐ Gary Brasher, Chair, Tubac
- ☐ Lisa Suarez, Vice Chair, Tucson
- ☐ Tom Pancrazi, Member, Yuma
- ☐ Kathy Howe, Member, Sedona
- ☐ Ann White, Member, Tucson

Unable to attend: Frank Dickens, Member, Phoenix

ADRE representatives present:

- ☐ Sam Wercinski, Commissioner
- ☐ Jerome Jordan, Assistant Commissioner, Operations
- ☐ Tom Adams, Assistant Commissioner, Investigations
- ☐ Tory Anderson, Assistant Commissioner, Policy & Projects
- ☐ Roy Tanney, Assistant Commissioner, Development Services
- ☐ Mary Utley, Assistant Commissioner, Public Relations
- ☐ Janet Blair, Assistant Commissioner, Licensing
- ☐ Michael Hailey, Education Manager
- ☐ Robert Hall, Executive Assistant to the Commissioner

Public present:

- ☐ Patti Shaw, Prospective Board Member
- ☐ Bruce Mosby, Prospective Board Member

**II. MINUTES**

Upon motion by Ann White, seconded by Lisa Suarez, the Minutes of the July 12<sup>th</sup>, 2007 meeting were unanimously approved.

**III. UPDATE FROM THE CHAIR**

Chairman Brasher provided an update about issuing the annual Report to the Governor. He advised that the report would be submitted for review very shortly.

#### **IV. CASE REVIEW SUBCOMMITTEE**

Chairman Brasher reminded the Board about the creation of a permanent Case Review Committee which was unanimously approved and adopted at the July 12<sup>th</sup>, 2007 Advisory Board Meeting. Commissioner Wercinski reviewed and recapped the details of the formation of the Review Committee. He introduced Assistant Commissioners Tom Adams and Janet Blair who had drafted a memo for Board Consideration relative to license application review. The memo was passed out to all Board Members for review and discussion. During the discussion Commissioner Wercinski recommended that the Board create three committees consisting of four individuals to include one member of the Advisory Board. Chairman Brasher suggested that recommendations for membership on the Sub-Committee be submitted to him by Friday, October 19<sup>th</sup>, 2007. Additional discussion ensued regarding logistics and details. Any concerns by Board Members relative to committee member responsibilities were addressed and resolved favorably.

#### **V. INDUSTRY UPDATE – LISA SUAREZ**

Lisa Suarez provided information obtained from the National Association of Realtors report. The following items of concern were discussed.

- ☐ Short Sales & Foreclosure
- ☐ Talking Points
  1. Mortgage Cancellation
  2. Scams – “Rescuers”
- ☐ Pre-foreclosure, Pre-Short sale

Discussion ensued relative to the issues and concerns about the above points. Various Board Members and staff provided anecdotal evidence of the issues and concerns. Additional discussion ensued as to possible resolutions. Commissioner Wercinski provided current actions being taken by State Government.

- ☐ FEMA Floodplain re-mapping – Impact on homeowners

Discussion ensued and anecdotes provided from various Board Members about FEMA de-certifying levees and berms that may result in increased flood insurance rates.

#### **VI. FACILITATOR REPORT FROM ADVISORY BOARD MEMBERS**

Chair Brasher requested that members report on their facilitator inquiries. Several members had received inquiries from the public.

## VII. COMMISSIONER'S REPORT

Commissioner Wercinski expressed his appreciation and thanks to Kathy Howe (Yavapai County) and Tom Pancrazzi (Yuma County) for attending the Community Outreach & Education (COE) seminars. He announced the dates of the upcoming COE's in Tucson, Nogales, Safford & Clifton. The Commissioner also made the Board aware of the new Calendar of events that is available on the ADRE website. Commissioner Wercinski asked Assistant Commissioner Tory Anderson to present updates.

### UPDATES

- Phase II of the online system was released on September 6<sup>th</sup>, 2008.
  - 1. Brokers can now hire, sever & transfer online
  - 2. Entity licenses can now be renewed online; if you're a Designated Broker you *have* to renew your entity license along with your Designated Broker license.
- Working on Education Project Phase I. Expected to be completed around January 2008.
  - 1. This update will allow schools to share courses with each other online.
  - 2. The Department of Real Estate will be notified electronically – no need for the schools to notify ADRE on paper
  - 3. The Public Database will show course information for licensees.
- A future project, to be completed by June 2008, is an upgrade that will allow licensees and schools to input their courses upon completion. All data will be real-time.
- Community Outreach & Education sessions as well as speaking engagements by the Commissioner with various industry and public groups are ongoing.
- Commissioner's Community Conversations (Triple C) are scheduled both at the Department as well as in the "field". The first 'away' Triple C will be held in Lake Havasu City on November 6<sup>th</sup>, 2007.
- Public "Consumer Forums" are being scheduled around the State. The first of these will be held in Lake Havasu City on November 6<sup>th</sup>, 2007 in the evening.
- The Commissioner is scheduled to be interviewed on numerous radio shows to promote the Department.

- ❑ Public Service Announcements appeared in newspapers throughout the state providing information changes in real estate law.
- ❑ A New pamphlet was created providing general information for consumers on the Department's various functions.
- ❑ ADRE Staff has been present at several Expo's with informational material that educates the public on the Department.
- ❑ Workgroups were completed this summer. They provided recommendations to the Commissioner. The recommendations were taken to the Legislative Taskforce. Invited groups (industry/public) to participate. This is currently ongoing and dialog is very active.
- ❑ Recommendations being considered:
  1. Increase continuing education hours
  2. Develop an Apprenticeship Program
  3. Change the Public Report from an examination process to a registration process.

The next step will be the legislation and rule changes. That will come after the taskforce has completed its discussion.

Assistant Commissioner Tory Anderson discussed the State's 600-Million dollar budget deficit. The Governor has requested that all State Agencies review their current budget and provide viable cost-saving measures. ADRE is responding by:

- ❑ Deferring hiring nine positions.
- ❑ Restricting travel and purchases

To ensure consumer protection, the Investigations, Enforcement and Compliance divisions will be fully staffed.

Commissioner Wercinski emphasized it is important to note that in both the Licensing and Education Divisions, applications are processed as presented. No backlog exists as a result of the budget cutbacks.

### **VIII. DIVISION MONTHLY REPORTS**

Assistant Commissioner Tory Anderson provided the Board with the monthly ADRE statistics report.

The following statistics are for the Period from July 1 – September 30<sup>th</sup>, 2007:

- ❑ Licensing
  1. 2000 New Licenses
  2. 8993 Renewals
  3. 99% Rated "Excellent" or "Good" customer service

- Auditing
  1. 368 Broker Audit Declarations
  2. 39 Field Audits

Assistant Commissioner Tory Anderson noted that as of October 2<sup>nd</sup> 2007, there are 73,458 Active Licensees, 14,299 inactive licensees, and 10,439 licensees in grace period and 98,126 total licensees. These numbers reflect a 6 percent increase from last year.

Assistant Commissioner Anderson provided the following statistics for Subdivision Investigations and Licensing Investigations:

- Subdivision Investigations:
  1. 55 cases opened
  2. 66 cases completed
  3. 133 cases pending
  4. 29 cases sent to Enforcement & Compliance
- Licensing Investigations:
  1. 299 cases opened
  2. 284 cases completed
  3. 509 cases pending
  4. 36 cases sent to Enforcement & Compliance

Assistant Commissioner Tory Anderson provided a breakdown by County reflecting the number of Investigations and Enforcement & Compliance cases. She proceeded to provide the following Enforcement & Compliance and Development Services statistics for the period from July 1 – September 30, 2007:

- Enforcement and Compliance
  1. 114 Cases Opened
  2. 237 Cases Closed
  3. 340 Cases Pending
  4. 3 New Settlement Officers hired
- Development Services
  1. 319 Applications Received
  2. 325 Public Reports & Amendments Issued
  3. 53 Pending Applications
  4. 99% "Excellent" or "Good" Customer Service Rating

Questions and discussion ensued relative to the statistics. Commissioner

Wercinski noted that the Customer Service Rating was a great improvement from this time last year. At that time the rating was at the 60-percentile mark. There was also discussion relative to ASAP (Accelerated Settlement Agreement Processing). Assistant Commissioner Anderson continued with Tucson Statistics. She indicated that they received 3,390 phone calls, 662 walk-ins, and 4 FTE positions. Assistant Commissioner Anderson reported the Recovery Fund payouts for the period from July 1 – September 30<sup>th</sup>, 2007:

- Licensee: Lesley Romero (currently in jail)
  1. \$30,000 to Antonio Lopez
  2. \$30,000 to Patrick & Peggy Ross
- Licensee: Gregory Upton
  1. \$48,155 to Jack & Lynda Weaver

Report Concluded. Additional discussion ensued.

Commissioner Wercinski introduced Michael Hailey as a new employee and the Education Manager. Member Ann White requested a copy of Assistant Commissioner Anderson's power point presentation. Assistant Commissioner Anderson will email the presentation to all Advisory Board Members. Vice-Chair Lisa Suarez asked the Commissioner how he was enjoying his position. She also asked how the Advisory Board could help out. Commissioner Wercinski responded that he enjoyed the job very much and was very fortunate to have the excellent ADRE staff to work with. He responded to the second part of the question by stating that he appreciated the attendance of Advisory Board members at recent COE's. He further suggested that he would like to have Advisory Board members participate in the next round of COE's to be held in the spring of 2008.

## **VII. OTHER MATTERS**

Commissioner Wercinski announced that the Governor did appoint Patti Shaw and Bruce Moseby as Public Members to the Advisory Board. Assistant Commissioner Mary Utley will assist in ensuring the necessary paperwork is completed in a timely manner. Commissioner stated that another member will soon be appointed to the Advisory Board Councilmember Octavio Garcia from Nogales, Arizona. It is anticipated that there will be a full Advisory Board by next quarter. It appears that the proposal to expand the Advisory Board membership from nine to eleven will move forward in the Omnibus Bill.

Assistant Commissioner Mary Utley provided an update on the Arizona-Mexico Commission (AMC)/ Real Estate Committee. The Committee held a meeting in Tucson and a new member, Frank Busch, appointed to the Committee. Assistant Commissioner Utley also advised that the Commissioner would be travelling to Hermosillo at the end of October to meet with the Sonoran counterparts to tour Hermosillo and the San Carlos areas as well as discuss economic development in the Arizona-Sonora region.

**VIII. CALL TO THE PUBLIC**

None.

**IX. ADJOURNMENT**

On a motion by Kathy Howe, seconded by Lisa Suarez and approved by the Board, Chair Brasher adjourned the meeting at 11:50 a.m.

DATED THIS 10<sup>th</sup> Day of January 2008.

**ARIZONA REAL ESTATE ADVISORY BOARD**

By: 

**Gary Brasher, Chairman**

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